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RUEHLB/AMEMBASSY BEIRUT PRIORITY 4253
RUEHEG/AMEMBASSY CAIRO PRIORITY 2594
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 5013
RUEHLO/AMEMBASSY LONDON PRIORITY 1877
RUEHFR/AMEMBASSY PARIS PRIORITY 0089
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RUEHRO/AMEMBASSY ROME PRIORITY 6344
RUEHRH/AMEMBASSY RIYADH PRIORITY 1261
RUEHTU/AMEMBASSY TUNIS PRIORITY 5366
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RUEHJM/AMCONSUL JERUSALEM PRIORITY 0265
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RHMFISS/COMSOCEUR VAIHINGEN GE PRIORITY
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UNCLAS TEL AVIV 001770

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM
NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XXXX
DA WASHDC FOR SASA
JOINT STAFF WASHDC FOR PA
CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
COMSOCEUR VAIHINGEN GE FOR PAO/POLAD
COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD
LONDON ALSO FOR HKANONA AND POL
PARIS ALSO FOR POL
ROME FOR MFO

SIPDIS
E.O. 12958: N/A
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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

[1](#)1. Mideast

[1](#)2. Iran

Key stories in the media:

Ha'aretz reported that the U.S. administration has rejected an Israeli request for military equipment and support that would improve Israel's ability to attack Iran's nuclear facilities. According to the newspaper, the Americans viewed the request, which

was transmitted (and rejected) at the highest level, as a sign that Israel is in the advanced stages of preparations to attack Iran. They therefore warned Israel against attacking, saying such a strike would undermine American interests. They also demanded that Israel give them prior notice if it decided to strike Iran. As compensation for the requests it rejected, Washington offered to improve Israel's defenses against surface-to-surface missiles. Israel responded by saying it reserves the right to take whatever action it deems necessary if diplomatic efforts to halt Iran's nuclearization fail. Ha'aretz cited a report published last week by the Washington-based Institute for Science and International Security (ISIS) that military strikes are unlikely to destroy Iran's centrifuge program for enriching uranium.

Leading media reported that yesterday PA President Mahmoud Abbas rejected PM Ehud Olmert's proposal for a peace agreement in principle under which Israel would withdraw from 93% of the West Bank and provide free passage to and from Gaza. A detailed draft of Olmert's proposal was made public yesterday in Ha'aretz. Media quoted Abbas's spokesman, Nabil Abu Rudeineh, as saying that the Israeli proposal is "not acceptable" because it does not envision a Palestinian state with geographical continuity and Jerusalem as its capital, in contravention of international and Arab resolutions. Abu Rudeineh said that the offer shows the Israeli side's "lack of seriousness." Ha'aretz reported that a spokesman for Olmert, Mark Regev, declined to comment on the content of the negotiations, but told the German press agency DPA that "important progress" had been made on various issues including borders. Ha'aretz quoted Likud party whip Gideon Sa'ar as saying about Olmert's proposal that Kadima, which ran in the elections as a centrist party, is advancing the worldview of the Zionist left. Ha'aretz said that about 70,000 settlers in 74 settlements would have to leave their homes according to the agreement, many of whom are likely to resist fiercely.

Major media reported that yesterday Defense Minister Ehud Barak told IDF soldiers on the Golan that Israel is closely monitoring Hizbullah's attempts at rearming. Media quoted Barak as saying that the arms flow to Hizbullah could upset the balance between the IDF and the Shi'ite organization, and that "it is no a coincidence that we are holding a large-scale intensive exercise here."

All media highlighted the fighting in Georgia, and the cessation thereof, as announced yesterday by Russian President Dmitry Medvedev. The media mentioned that Yediot reporter Tzadok Yehezkeili was seriously wounded while reporting from Gori.

The Jerusalem Post quoted Defense Minister as saying during a Labor Party conference in Dimona yesterday that Israel will have to make "difficult decisions" and that it will pay a "difficult price" to secure Gilad Shalit's release.

The media reported that yesterday Finance Minister Roni Bar-On presented the government with the choice of cutting either defense or welfare in the 2009 budget proposal. Bar-On suggested he favored curtailing defense expenditures. Yediot and other media reported that the Shas and Pensioners parties threaten to quit the government coalition over possible cuts in the budget.

The media reported that yesterday Internal Security Minister Avi Dichter started his Kadima primary campaign and criticized frontrunners FM Tzipi Livni and Transportation Minister Shaul Mofaz.

The Jerusalem Post reported that the University of Southern California's Annenberg School for Communication and the Getty Foundation announced this week that Jerusalem Post deputy managing editor David Brinn has been chosen to participate in their 7th annual Arts Journalism Fellowship.

Maariv reported that yesterday old-time country-style singer Arik Sinai declared his candidacy for Tel Aviv mayorship.

1. Mideast:

Summary:

The independent, left-leaning Ha'aretz editorialized: "Even if is too late now to reach an agreement, Olmert's successors would do well to learn from his experience and advance the peace process as soon as they take office -- not when they are about to leave it."

Washington correspondent Natasha Mozgovia wrote in the independent, left-leaning Ha'aretz: "Following the bombing in Syria and the Iraq war, the Kremlin interprets statements by senior Americans regarding proper rules of conduct on the international scene as pure hypocrisy."

Block Quotes:

II. "Painful Historic Miss"

The independent, left-leaning Ha'aretz editorialized (8/13): "At the dusk of his term, Prime Minister Ehud Olmert is offering Palestinian President Mahmoud Abbas a 'shelf agreement' on borders, refugees, and security arrangements.... Olmert's proposal is commendable as a basis for negotiations, even if the details are unacceptable to the Palestinians, who seek a much smaller land swap. The problem is that like [Ehud] Barak, Olmert has reached the critical moment too late in his term, after losing his political and public support and deciding to resign. Ostensibly he can now make decisions without regard for the domestic scene, but this is an illusion.... In foreign affairs, any delay is negative and waiting only increases the likelihood that the negotiations will fail. Too much time was wasted before the formula for renewing the negotiations was found and a framework for the talks agreed upon. Even if it its too late now to reach an agreement, Olmert's successors would do well to learn from his experience and advance the peace process as soon as they take office -- not when they are about to leave it."

II. "Russia Seeking a Renewed Status"

Washington correspondent Natasha Mozgovia wrote in the independent, left-leaning Ha'aretz (8/13): "Georgia is licking its wounds, but make no mistake: When the Kremlin looks at the Georgian President, who has become overly independent, it sees Washington behind him.... The U.S. President warned the Russians on Monday ... that Russia's conduct was unacceptable in the 21st century. Following the bombing in Syria and the Iraq war, the Kremlin interprets statements by

senior Americans regarding proper rules of conduct on the international scene as pure hypocrisy."

III. "Stupor"

The nationalist, Orthodox Makor Rishon-Hatzofe editorialized (8/13): "All important democracies, including Israel, seem to be suffering from weakness and even stupor.... [In] Israel ... the trend of the political system is to delve with itself and what excites a limited number of media and extreme organizations."

I2. Iran: -----

Summary:

Columnist Michael Freund, who was an assistant to former prime minister Benjamin Netanyahu, wrote in the conservative, independent Jerusalem Post: "An atomic Iran, Putin realizes, would further expose the powerlessness of the West, as well as heighten its sense of vulnerability."

Block Quotes:

"From Tbilisi to Tehran"

Columnist Michael Freund, who was an assistant to former prime minister Benjamin Netanyahu, wrote in the conservative, independent

Jerusalem Post (8/13): "If Putin sees that the West is a paper tiger and allows Georgia to be trampled, then he likely will not hesitate to block additional Western efforts to strip Iran of its nuclear ambitions. An atomic Iran, Putin realizes, would further expose the powerlessness of the West, as well as heighten its sense of vulnerability. Consequently he may be tempted to defy the West yet again, on an issue even closer to its heart, and in an effort to push the envelope. The Ayatollahs know this all too well, and will be encouraged to continue their mad drive for atomic power, confident in the knowledge that they have little to fear. It is therefore essential that strong and immediate measures be taken to punish Russia for its Georgian adventure and strip it of any illusions it may have about a lack of Western resolve.... Moscow must be made to pay a heavy economic, political and diplomatic price for its actions, lest it persist in causing still greater harm."

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